

## **<sup>1</sup>ECONOMIC MANAGEMENT, ADMINISTRATION AND CORRUPTION: ANY CORRELATION?**

The strength of an economy is a function of the soundness and robustness of the policy agenda and the faithfulness with which such policies are enunciated and implemented to harness the productive capacity of the nationals. Economic performance is therefore ultimately about the extent to which the human capital has been motivated to create productive activity. Managers of the economy must be reasonably dispassionate in the design and operation of economic policy, and must have a shared vision of the goals and objectives that such policies are intended to deliver. In addition, the bureaucracy must have the capacity to operate policy with understanding and purpose.

The experience in Nigeria over the years, and especially during the military era, was that we neither had the soundness nor the robustness of policy. Whatever policy got made was inconsistent from year to year, and we seemed to manage the economy through windows rather than holistically. Moreover, all the institutions that would have helped keep things on an even keel were destroyed, and the capacity of the bureaucracy to undertake the work that economic reform demanded was doubtful.

The essence of any administrative function is to create the machinery for implementing policy and monitoring performance against targets. It is also to institute accountabilities against the responsibilities assigned to the individuals and teams in the pursuit of the super-ordinate goals.

The seed of corruption was planted with the enthronement of mediocrity through chains of improper appointments into senior and sensitive jobs, and with it the dethronement of accountability and professional accomplishment. Power became the only instrument of sustenance, and it was only a matter of time for values once held in high esteem to be debased.

As values tumbled, both the private and public sectors reeled under the impact of the malaise, as patronage became the only basis on which resources were allocated. There was no longer a reason for students (who had been deprived) to strive for academic performance when they could secure the certificate through other means. The lecturers were easy prey since they were hardly paid a living wage. In any case, the educational institutions were not being funded. The police in the meantime found that they had to bribe their bosses to get paid their rightful wages, and State Governors had to bribe to receive their States allocation from the Federation Account. Foreign Missions were starved of funds, and Mission

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heads soon discovered that the way around it was to bribe the boss to receive favour. The consequence in terms of inefficiency is now a matter of history.

And then there was the direct contribution of the military institution.

As with every dictatorship, keeping the populace on the edge of insecurity perpetually, and distributing largesse when matters got to a head, built the power base of the military. A people who have suffered deprivation would gladly welcome the grains thrown down from the master's table. For example, in the Abacha years, people had been so deprived that they heaved a sigh of relief when "Abacha rice" came, and were thankful for "small mercies". The middle class scrambled to be "middle men" in the distribution of the commodity. If they did not succeed, they hopped to Abuja, walk the corridors for a few days and returned with one little favour or contract. Such a trip would be repeated as soon the money was finished. Such selective dispensation of favours kept the dictator firmly in control, and opened the way for public officers to create their own empires. The dearth of accountability soon got transferred to the street level, and the Taxi driver would make a U-turn in the middle of the road or head in the direction against the flow of traffic, since he was not accountable to other road users.

There is indeed a direct correlation between economic management and corruption, but the precursor was most probably ineptitude of the leadership. The Webster's Dictionary defines "corrupt" as depraved, changed from sound to putrid state ... to pervert, make wicked, to defile. These words describe aptly the destruction of our society over the years. We became "Corruption Incorporated" and the corruption emerged from under the table to be a negotiated commodity ON the table.

With the severe distortion in resource allocation came economic decline, and we swapped the virtuous circle of the many national governments that continually sought to raise the quality of life of their people, for the vicious cycle of economic depression and the downward spiral was unstoppable. By 1998, we were like a nation devastated by an earthquake. Rubble everywhere. The rebuilding process could not begin until a substantial part of the rubble had been cleared. Our national rebirth will not stand on a firm foundation if we build it on the rubble. The rubble still hampers us today, and it is not surprising that President Obasanjo rightly identified corruption as one monster that must be tackled urgently if we must deliver any democracy dividend. Indeed one of the cardinal tasks of this Administration must is to clear the ground so that the rebuilding process can begin. Clearing an earthquake site is often a difficult task, and bulldozers are often required. Unfortunately too, in an earthquake situation, many standing structures have to be pulled down because the internal fabric has

been weakened. This government must be utterly intolerant of any shade of corruption.

The fight against corruption cannot be waged with kid gloves, and will sometimes demand an unusual action. One man or even a few people cannot wage it, and it must start from the leadership of both the public and private sectors.

Regrettably, it appears the war is not being waged conscientiously at the moment.

### Suggestions

1. It will help if a public officer found with soiled hands is publicly made to account for his misdeeds. The process of dismissing a corrupt official should be such as to be a deterrent to others. For example the public should be informed of the deeds of such officer that warranted the dismissal, and the family should bear the shame. Perhaps the war will begin to have effect if the wife of such an officer is too ashamed to visit the hairdresser's on Sunday afternoon. This is the nature of the deterrent in our traditional society, which kept people on the straight and narrow path. A corrupt officer in the village immediately lost his friends, was expelled from his age group, and no other family in the clan agreed for their children to marry from such a family. The consequences were severe, but we know that society was decent then.

2. I think it is time that the private sector re-enacts the Convention On Business Integrity. Senior Executives willing to join the anti-corruption crusade will endorse the Convention at a public event, committing themselves and their organisations to the path of high ethical standards. A copy of a similar effort in 1997 is attached.

Such organisations declare their position clearly, and all their associates understand that. Furthermore, institutions they deal with in the course of business (Customs, Banks, Regulatory authorities etc) know their position and will eventually accept it. But it also constrains an organisation endorsing the Convention to ensure that all their activities are above board, and they do not ask for unlawful waivers or special favours.

It is instructive to note that a private sector initiative four years ago to get business leaders to subscribe to Convention On Business Integrity at a media event got a very thin response. The initiative was to get key economic players to affirm their commitment to stand against corruption, and to do everything humanly possible to run their organisations to the highest ethical standards; and to do so in the full gaze of the public. This was in recognition of the fact that in the corruption game, the hand of the giver is as bloody as that of the receiver. Making such a statement, of course, required confidence that skeletons could not be found in the closet if anyone cared to look in there.

3. The ultimate weapon against corruption is openness and transparency in commercial dealings. The starting point is the reform of the economy to remove Government from the commanding heights of the economy activity. Where discretion of a public officer is not required, there is little room for corruption. That is one of the powerful cases for privatisation. For as long as there are too few telephone lines to meet the demand of the country, the NITEL official responsible for allocating lines is likely to be corrupt. The supply of telephone lines can be multiplied dramatically if large international private telecom operators are enabled to compete, and raise the current stock of phone lines from less than 1 million to over 10 million. With the advantage of modern technology, that is feasible in less than two years. When supply is relatively abundant, the competitive juice in the promoters kicks in, price drops and service level also rises.

The first benefit to be derived from these three steps is that corruption acts will return under the table, and the corrupt club will start losing membership gradually.

4. There will be associated steps required in retraining the civil service to restore professionalism. Capacity building is a key task if technocrats will once again rely on their competence for career advancement.

Thank you for your attention.

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